

NATIONAL CANNERS ASSOCIATION

# INFORMATION LETTER

PUBLICATION OR REPRODUCTION NOT PERMITTED

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### PROMPT RETURN OF STOCK REPORTS REQUESTED

Canners cooperating in the quarterly survey of stocks of peas, corn, tomatoes, green and wax beans, peaches, pears and pineapple, are urgently requested to return promptly to the Foodstuffs Division of the Department of Commerce the schedules on which they report their stocks as of October 1, 1932.

The stock figures when compiled will be of great value to both the canning industry and trade, and the earlier they become available, the greater their usefulness. The Foodstuffs Division is in position to complete the tabulation of the statistics within a very short time after the reports are received, and the promptness with which they are issued will depend almost entirely on the canners and distributors.

If your report has not already been sent to the Foodstuffs Division, please forward it at once.

### BRIEFS FILED IN TRANSCONTINENTAL RATE CASE

Steamship lines operating from the Pacific Coast to Gulf and North Atlantic ports have filed a brief with the Interstate Commerce Commission protesting against the proposed reduction of rail rates on canned fruits and vegetables from \$1.05 to 90 cents per 100 pounds from the Coast to Eastern destinations, and briefs supporting the proposed reduction were filed at the same time by the Canners League of California, Southern California Canners Association, the Northwest Canners Association, California Pear Growers' Association, the California Canning Peach Growers' Association, and the Utah Packing Corporation.

### CANNING CROP PRODUCTION ESTIMATES

According to estimates issued October 10 by the Division of Crop and Livestock Estimates, based upon conditions as of October 1, the production of tomatoes for manufacture this year is 13 per cent larger than last year. The kraut cabbage crop is 10.7 per cent larger, while the canning beet crop is 28.5 per cent smaller, and the lima bean crop 52 per cent smaller than last year.

## Beets

The forecast of production of beets for canning, based upon the reported probable yield per acre on October 1, is 71.5 per cent of the estimated production in 1931 and is only 38.6 per cent of the 1930 production. On an acreage 34 per cent below that of 1931 a total production of 21,550 tons is indicated. Estimated production in 1931 was 30,160 tons; in 1930, 55,830 tons and in 1929, 35,880 tons. The indicated yield per acre for 1932 is higher than that of any of the past three seasons, due largely to more favorable growing conditions in New York and Wisconsin.

The table below gives, by states, estimated acreage, indicated yield per acre and forecast of production in 1932 compared with estimates of harvested acreage, yield per acre and production for 1931.

State	Acreage		Yield Per Acre		Production	
	1931	1932	1931	1932	1931	1932
	Acres	Acres	Tons	Tons	Tons	Tons
New York	750	800	5.2	7.0	3,900	5,000
New Jersey	300	200	8.4	6.8	2,520	1,360
Indiana	220	280	3.7	4.9	810	1,370
Michigan	510	340	6.0	6.3	3,060	2,140
Wisconsin	1,800	800	7.8	9.0	14,040	7,200
Oregon	180	200	4.5	3.5	810	700
Other states*	990	580	5.1	6.0	5,020	3,180
U. S. total	4,750	3,150	6.35	6.84	30,160	21,550

\* "Other states" include: Colorado, Delaware, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Mississippi, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington.

## Kraut Cabbage

During September the prospective production of cabbage for kraut declined from 160,300 tons to 148,100 tons, with lower yields indicated in both New York and Wisconsin. Although the total of 148,100 tons indicated on October 1 is 10.7 per cent larger than the estimated production in 1931 of 133,800 tons, it is 30 per cent under the record production (211,200 tons) in 1930 and is 9 per cent below the average production of 162,900 tons for the five-year period, 1926-1930. The indicated average yield per acre is 9.36 tons compared with 7.16 tons in 1931 and with an average of 9.51 tons for the five-year period preceding 1931.

State	Acreage		Yield Per Acre		Production	
	1931	1932	1931	1932	1931	1932
	Acres	Acres	Tons	Tons	Tons	Tons
New York	5,800	5,030	8.8	11.2	51,000	56,300
Ohio	2,200	2,130	8.6	7.8	18,900	16,600
Indiana	1,260	430	5.0	8.5	6,300	3,700
Illinois	550	870	3.0	9.0	1,600	7,800
Michigan	1,420	1,200	7.6	10.0	10,800	12,000
Wisconsin	5,000	3,700	5.7	8.7	28,500	32,200
Minnesota	380	230	6.0	10.5	2,300	2,400
Colorado	250	250	9.7	10.0	2,400	2,500
Washington	200	200	8.5	9.0	1,700	1,800
Other states*	1,630	1,780	6.3	7.2	10,300	12,800
U. S. Total	18,600	15,820	7.16	9.36	133,800	148,100

\* "Other states" include: Arkansas, California, Iowa, Maryland, Montana, Missouri, Nebraska, Oregon, Pennsylvania, Tennessee, Utah and Virginia.

## Tomatoes

The forecast of production of tomatoes for manufacture, based upon reported condition and probable yield per acre on October 1, is 13 per cent larger than the estimated production in 1931 but is nearly 14 per cent under the average production for the five-year period preceding 1931. A total production of 1,109,400 tons is indicated for 1932 compared with 982,800 tons produced in 1931 and with an average of 1,287,500 tons for the five-year period, 1926-1930. The indicated average yield per acre is 4.06 tons compared with 3.34 tons in 1931 and with 4.22 tons for the five-year period preceding 1931.

Reports from canners indicate that the season has been shorter than usual and is practically over in many areas. In the Ozarks, dry weather during August and September prevented the tomatoes from sizing up. Heavy rains in Indiana during late September have reduced production in that State. The crop in Kentucky, Tennessee and Iowa has also been subjected to excessive rainfall, which has resulted in the lightest yields in years. Unusually light yields are again indicated in Virginia, due to dry weather. In New York, New Jersey, Pennsylvania, Delaware, Maryland, Ohio and Michigan the indicated yields per acre are average or better. California is the only State in the Far Western group which is expected to have a larger production than that of 1931.

State	Acreage		Yield Per Acre		Production	
	1931 Acres	1932 Acres	1931 Tons	1932 Tons	1931 Tons	1932 Tons
New York	11,300	10,600	8.1	6.4	91,500	67,800
New Jersey	30,000	31,000	4.4	6.0	132,000	186,000
Pennsylvania	4,800	6,300	3.6	4.0	17,300	25,200
Ohio	10,300	9,780	6.0	5.5	61,800	53,800
Indiana	64,000	62,700	3.0	3.8	192,000	238,300
Illinois	4,050	5,390	4.8	3.6	22,300	19,400
Michigan	2,000	1,700	7.0	5.4	14,000	9,200
Iowa	6,400	5,300	3.6	2.2	23,000	11,700
Missouri	20,000	16,160	2.1	2.2	42,000	35,600
Delaware	11,800	10,600	2.0	3.9	23,600	41,300
Maryland	38,000	34,200	2.0	3.7	76,000	126,500
Virginia	12,000	9,700	2.0	2.4	24,000	23,300
Kentucky	5,700	5,600	2.8	2.0	16,000	11,200
Tennessee	10,700	8,400	2.2	1.6	23,500	13,400
Arkansas	16,800	16,300	2.5	2.7	42,000	44,000
Colorado	2,500	2,700	7.0	6.5	17,500	17,600
Utah	6,200	3,000	8.3	8.0	51,500	24,000
California	28,110	25,600	3.1	5.2	87,100	133,100
Other states*	9,070	8,010	2.8	3.5	25,700	28,000
U. S. total	294,330	273,040	3.34	4.06	982,800	1,109,400

\* "Other states" include: Connecticut, Idaho, Kansas, Louisiana, Mississippi, Nebraska, New Mexico, Oklahoma, Oregon, South Carolina, Texas, Washington, West Virginia, and Wisconsin.

## Lima Beans

Prospective yields per acre on green lima beans for canning have declined in Maryland and Virginia since September 1, due primarily to dry weather and windstorm damage. The forecast of production, based upon reported condition and probable yield per acre on October 1, is only 48 per cent of the estimated production in 1931. A total production of 14,641,000 pounds is indicated for 1932 compared with 30,456,000 pounds produced in 1931, 25,951,000 pounds in 1930 and 25,060,000 pounds in 1929.

The table below gives, by states, the estimated acreage, indicated yield per acre and forecast of production for 1932 compared with estimates of harvested acreage, yield per acre and production for 1931.

State	Acreage		Yield Per Acre		Production	
	1931	1932	1931	1932	1931	1932
	Acres	Acres	Pounds	Pounds	Pounds	Pounds
New Jersey . . . .	1,450	200	1,040	1,100	1,508	220
Delaware . . . .	8,400	3,500	970	1,200	8,148	4,200
Maryland . . . .	3,700	2,000	1,010	880	3,737	1,760
Virginia . . . .	5,340	4,200	1,350	950	7,206	3,000
Ohio . . . .	1,740	100	1,000	900	1,740	90
Michigan . . . .	4,000	1,600	820	760	3,280	1,216
Minnesota . . . .	600	380	1,100	600	600	228
Other states* . . . .	3,530	2,670	1,182	1,100	4,174	2,037
U. S. total . . . .	28,700	14,850	1,050	900	30,456	14,641

\* "Other states" include: Colorado, Georgia, Illinois, Indiana, New York, Pennsylvania, South Carolina, Tennessee, Utah, Washington, and Wisconsin.

#### SALES TAX CLAUSE IN CONTRACTS

In view of the fact that there seems to be a trend toward sales tax legislation, the Canners League of California has approved for use by its members the following clause for use on domestic contracts, brokers' sales memoranda, etc.:

"In addition to the price stated herein, buyer agrees to pay, or to reimburse seller for, any sales tax or taxes which may be imposed by the Federal and/or State Governments, or the price herein stated shall be increased to the extent of such tax."

#### REPORT ISSUED ON ALASKA FISHERY INDUSTRIES

The U. S. Bureau of Fisheries has issued its annual report on the Alaska fishery and fur-seal industries for the year 1931. It is a bulletin of 96 pages, of which 64 pages are devoted to detailed information on fishery areas, regulations, hatcheries, packing operations, etc. The publication is for sale by the Superintendent of Documents, Washington, D. C., at 10 cents per copy.

#### CALIFORNIA PEACH PACK

The peach pack in California, according to preliminary figures issued by the Canners League, is estimated to be equivalent to 6,447,280 cases of No. 2½'s, as compared with 8,348,652 cases in 1931 and 13,173,703 cases in 1930. Previous to 1930, the Canners League reported the actual number of cases, instead of reducing the pack to standard cases, and in 1929 the pack was reported as 7,972,086 cases, as compared with 14,811,606 in 1928.

Stocks on hand, sold and unsold on September 17, were estimated at 7,594,245 cases.

**FORECAST OF CANNED FOODS MOVEMENT**

Freight car loadings during the last quarter of the year will be 10.4 per cent less than the actual loadings in the corresponding quarter of 1931, according to estimates of the Shippers' Advisory Boards made public by the American Railway Association. Car loadings of canned goods, including catsup, jams, etc., during the last quarter of 1932 are estimated at 37,178 cars, as compared with actual loadings of 38,007 cars during the same quarter last year. This is an estimated decrease of 2.2 per cent.

**TAX LIABILITY OF FRUIT JUICES**

In reply to an inquiry concerning the tax liability of frozen pineapple juice, grapefruit juice, and orange juice, under the beverage tax section of the Revenue Act, the Association has received the following opinion from the Commissioner of Internal Revenue:

It is the opinion of the Bureau that it should not be necessary in order to sustain tax liability to prove an actual intention on the part of the manufacturer that fruit juices which he sells shall be used for any particular purpose. The language, "intended for consumption as beverages," occurs in both section 615 (a) (3) and section 615 (a) (4). In each instance it is part of a phrase evidently used for the purpose of classification to facilitate description of the taxable articles. Section 615 (a) (3) described a class of fruit juices adapted to dilution. Section 615 (a) (4) described a class of beverages not adapted to dilution. In section 615 (a) (3) the phrase is " \* \* \* fruit juices \* \* \* intended for consumption as beverages with the addition of water or water and sugar \* \* \*." In section 615 (a) (4) the phrase is " \* \* \* still drinks \* \* \* intended for consumption as beverages in the form in which sold \* \* \*." In the case of section 615 (a) (4), the words "as beverages" are palpably without significance because the subject dealt with is "still drinks." They obviously could not have been used to distinguish between drinks used as beverages and drinks not used as beverages. It seems reasonable that the words "as beverages" have no more significance in section 615 (a) (3) than they have in section 615 (a) (4). Apparently the words were used upon the assumption that fruit juices, like still drinks, are intended for beverage use, the phrases in which they occur being used merely to distinguish between the several kinds of beverage use, one after dilution and the other without dilution.

Section 615 (a) (4) does not specifically refer to fruit juices, but there seems little room for doubt that it was intended to cover fruit juices. The exemption of grape juice and apple cider, both being fruit juice, suggests that the law makers regarded section 615 (a) (4) as covering fruit juices. The language, "intended for consumption as beverages in the form in which sold," also suggests that the provision was regarded as covering fruit juices used without dilution, in contrast with the fruit juices adapted to dilution covered by section 615 (a) (3). Otherwise, the quoted language appears without significance.

The words "intended for consumption in the form in which sold" occurring in section 615 (a) (4) are regarded by the Bureau as used to describe beverages used without dilution as distinguished from the beverages covered by section 615 (a) (3) adapted for use after dilution; the language

"in the form in which sold" means without dilution and was not intended to distinguish between juice sold in a frozen condition as against that sold in a liquid state.

It is accordingly held that frozen pineapple juice, grapefruit juice and orange juice fall definitely within the classification of still drinks, and are subject to tax under section 615 (a) (4) of the Revenue Act of 1932 at the rate of 2 cents per gallon.

#### RUSSIAN CAVIAR EXPORTS

Exports of black caviar from Soviet Russia in 1931 amounted to 826,725 pounds, compared with 1,007,503 pounds in 1930, according to official Soviet statistics. Of these exports 293,212 pounds were destined for the United States in 1931, as compared with 361,554 pounds in 1930. The red caviar exports in 1931 totaled 2,411,832 pounds and in 1930 they were 4,991,213 pounds. None of these exports were shipped to the United States, according to the Soviet report.

#### SHRIMP PACK IN SEPTEMBER

The pack of shrimp in September, as announced by the Shrimp Section of the Association, was 142,955 cases, as compared with 187,470 cases in the corresponding month last year. The pack in August and September this year totaled 225,170 cases, a decrease of 35 per cent as compared with the pack in the same months of last year. The pack in August and September, by states, for the last two years follows:

State	August, 1931 <i>Cases</i>	August, 1932 <i>Cases</i>	September, 1931 <i>Cases</i>	September, 1932 <i>Cases</i>
Georgia	15,013	13,005	19,030	13,975
Florida	7,500	1,000	4,900	1,325
South Carolina			1,900	
Alabama	7,700	3,250	15,844	8,082
Mississippi	37,151		54,773	1,600
Louisiana	90,155	54,000	76,339	107,173
Texas	4,000	10,000	14,045	10,800
Total	161,570	82,215	187,470	142,955

#### TARIFF COMMISSION HEARING ON CANNED TUNA

On October 6 the U. S. Tariff Commission held a hearing in connection with their investigation of the cost of production of canned tuna here and abroad. Since it appears that the principal competing foreign country is Japan, particular attention was devoted to ascertaining costs of production in that country.

The case for the domestic industry was presented by Mr. Spencer Gordon, of Covington, Burling and Rublee, general counsel for the National Canners Association. Mr. R. Hopkins, President of the Tuna Canners Institute, and Mr. Wiley V. Ambrose testified as to domestic costs and conditions in the domestic in-

dustry, particularly as they are affected by the great depreciation in the exchange value of the yen. According to Mr. Hopkins, who collected cost figures from a number of tuna canners, the average cost of producing one case of No.  $\frac{1}{2}$  tins of white meat tuna and delivering it in New York City is \$5.42 for the California industry.

Mr. Kemper Simpson, 132 Columbia Heights, Brooklyn, N. Y., presented the case for the Japanese industry. Mr. Suzuki, President of the Japan Albacore Packers Association, and Mr. Seggerman, 99 Hudson Street, New York City, a broker handling imported tuna, testified. Mr. Suzuki stated that he had not come to this country prepared to testify before the Commission and was unable to give any cost figures, but he invited the Commission to send its representatives to Japan and he would be glad to furnish them with all the information that they wanted regarding his costs of production. Mr. Suzuki asked the Commission to consider the fact that present international conditions are very abnormal, and hoped that the Commission would defer any action toward increasing the tariff until conditions had reached a more normal basis. Mr. Seggerman's testimony consisted mostly of statistics secured from the Department of Commerce and from the Bureau of Fisheries, and he also submitted figures as to the selling price of canned tuna in New York City.

At the conclusion of the hearing Mr. Simpson made a formal request for the Commission to send its agents to Japan to secure their 1930 and 1931 costs, and that 1932 costs be not used for the reasons stated by Mr. Suzuki. He said that as soon as the Commission decided whether or not they would send a representative to Japan, he would like to be informed and he would then file a supplementary brief. This permission was granted by Mr. Page, Vice-Chairman of the Commission, who presided at the hearing, which was also attended by Commissioner Brossard.

#### **RUSSIAN BAKED BEANS IN ENGLAND**

Eight hundred cases of Russian baked beans arrived recently in London. They are 20-ounce cans and retailed at 4 pence (8 cents at par) as compared with 6 pence (12 cents), the average price of the British made product. The beans came in without labels, which were later put on by the importer.

#### **CANADA TO INSPECT IMPORTED SALMON**

A Canadian order-in-council requires all canned salmon imported for sale in Canada to be entered through British Columbia ports and be subject to the same inspection as is being applied to the British Columbia pack.

## DEPOSITIONS IN CANNED CLAM INVESTIGATION

The Tariff Commission has authorized depositions to be taken of witnesses in the investigation by the Tariff Commission with respect to canned clams.

These depositions will be taken in three cities. The American consul is designated to take the depositions in Vancouver, British Columbia, and H. I. Hoskins, notary public, at 259 Colman Building, Seattle, Wash., and William A. Wells, notary public, Wisconsin Building, Everett, Wash., have been designated to take the depositions in their respective cities.

The depositions will be taken on October 27, 1932, beginning at 10 o'clock a. m. Any parties interested may produce witnesses to be questioned in accordance with the Commission's rules of practice and procedure, upon payment of the charges of the notary or consul.

Briefs of the evidence and arguments thereon may be filed in accordance with the Commission's rules of practice and procedure on or before November 15, 1932.

A public hearing in this investigation was held at the offices of the Commission in Washington, D. C., on October 5.

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